

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING**

2022.08.25

A-F (48-2022)

DEPARTMENT: FINANCE: AMENDMENT OF THE CITY OF EKURHULENI METROPOLITAN MUNICIPALITY INDIGENT SUPPORT POLICY BY AMENDING THE DEFINITION OF “CHILD-HEADED HOUSEHOLDS” AND AMENDING SUB-SECTIONS 9.1.1, 9.1.2, 9.1.3 AND 9.2.1

1. PURPOSE OF THE REPORT

To obtain approval for the amendment of the Indigent Support Policy by amending the definition of “Child-headed Households” and amending sub-sections 9.1.1, 9.1.2, 9.1.3 and 9.2.1.

2. WARDS AFFECTED

All wards in the City of Ekurhuleni Metropolitan Municipality.

3. STRATEGIC PRIORITY ADDRESSED

1	x	Promoting Good Governance
2	x	Poverty Alleviation / Job Creation

4. EXECUTIVE SUMMARY

The Council of the City of Ekurhuleni Metropolitan Municipality, at its Special meeting held on 25 May 2022, approved the reviewed Indigent Support Policy, attached as **Annexure “B”** to this report (Annexure E7 to the report approved on 25 May 2022). Subsection 9.1.1(e), in section 9 of the approved Indigent Support Policy expressly provides that Indigent relief will be granted to an approved household where the –

(e) *Municipal value of property does not exceed maximum value as determined by Council’s Assessment Rates Tariff Policy.*

Upon approval of the Indigent Support Policy on 25 May 2022 and when addressing applications for inclusion as beneficiaries in terms of the Indigent Support Policy, it was noted that property owners with a value above R1,5 Million would apply. Effectively then, this provision (sub-section 9.1.1(e), led to a situation of inequality between beneficiaries, as those whom the policy does not cater for, unduly benefit. It is submitted that should such provision remain in the Indigent Support Policy, it will be contrary to the provisions of the Constitution of the Republic of South Africa, 1996, section 152(1)[c] of the Constitution of which local government is required to strive, ‘within its financial and administrative capacity ‘to promote social and economic development’ and contradict Section 73 of the Municipal Systems Act which provides-

(1) A municipality must give effect to the provisions of the Constitution and-

- (a) give priority to the basic needs of the local community;
- (b) promote the development of the local community; and

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- (c) ensure that all members of the local community have access to at least the minimum level of basic municipal services.
- (2) Municipal services must-
- (a) be equitable and accessible;
 - (b) be provided in a manner that is conducive to-
 - (i) the prudent, economic, efficient and effective use of available resources; and
 - (ii) the improvements of standards of quality over time.
 - (c) be financially sustainable; and
 - (d) be regularly reviewed with a view to upgrading, extension and improvement.

5. BACKGROUND

The City of Ekurhuleni Metropolitan Municipality (“hereinafter referred to as the Municipality”) is cognizant of its constitutional obligations contemplated in section 152 of the Constitution and strives at all times to fulfil its obligations to meet compliance with the provisions of section 152.

This Indigent Support Policy (“hereinafter referred to as the Policy”) is of utmost importance and a legal imperative, a tool designed to ensure that the Municipality realizes its constitutional objectives as laid down in section 156 of our Constitution, 1996, i.e.

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provisions of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

In addition, section 74 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) provides that in prescribing a tariff and/or a Tariff Policy that will be applicable to a municipality, the poor/Indigent within such a community must have access to at least basic services through tariff which cover only the operating and maintenance costs.

National Government, through the Municipal Indigent Policy Framework, has stipulated a range of free basic services thereby providing a basis for the provision of free basic services to Indigents and the crucial role to be played by municipalities in this regard.

The Policy is a result of continuous prevalence of indigence and poverty within the communities of Ekurhuleni. It is therefore imperative that this proposed amendment be approved so as to ensure fair and adequate distribution of the City’s resources to benefit the poor and indigent within our communities.

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The amendment of section 9.1.1(e) to read as follows: *“municipal value of property does not exceed R1,500’ 000 as reflected in the valuation roll of the city”*. This amendment allows households with property values below the mentioned threshold to qualify to apply for indigent status and is also aligned to the Debt Rehabilitation Policy that specifies threshold of household that qualify for rehabilitation.

The amendment of sub-section 9.1.2 by the inclusion of new subsection (d) that reads as follows: *“any person above the age of 18 who does not have a source of income will have to apply for indigent assistance through submission of application forms”* and the re-numbering of the current (d) and (e) to (e) and (f) respectively. The insertion instructs head of households above 18 to apply for indigent assistance directly from the child-headed household, while the policy treat child-headed households as special cases.

6. SUMMARY OF CHANGES

Existing Policy	Revised Policy Changes
Definitions	
Child-headed household	Child-headed household
Is deemed to be a household that is headed by a minor dependent or child under the age of 18 years who has assumed the role of care-giver in respect of the children in the household and is also responsible for management of such households, due to the parent/s guardian or care-giver of the household who was the registered owner/ account holder/ legal tenant of the property who is terminally ill, deceased or abandoned the children in that household.	Is a household that is headed by a minor dependent or child under the age of 18 years who has assumed the role of caregiver in respect of the children in the household. Such a child is also responsible for management of the household, due to the parent/s, guardian and/or caregiver of the household who was the registered owner/ account holder of the property who is terminally ill, deceased or abandoned the children in that household.
Sub-section 9.1.1.	
Old	NEW
(e) Municipal value of property does not exceed maximum value as determined by Council’s assessment rates tariff policy.	(e) Municipal value of property does not exceed R1 500 000 as reflected in the valuation roll of the City; and.
Sub-section 9.1.2	
-	NEW (d) Any person above the age of 18 who does not have a source of income will have to apply for indigent assistance through submission of application forms.
Sub-section 9.1.3	
	NEW (h) properties and employee of any organ of the state (national, provincial, local and State-owned Entities).
Sub-section 9.2.1	
	NEW (h) properties and employee of any organ of the state (national, provincial, local and State-owned Entities).

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7. SUMMARY OF ANNEXURES ATTACHED TO THIS REPORT

Annexure “A” Revised Indigent Support Policy of the City of Ekurhuleni

Annexure “B” Approved Indigent Support Policy of the City of Ekurhuleni Metropolitan Municipality: Special Council Meeting held on 2022.05.25: Item A-F (16-2022): Annexure E7

RECOMMENDATION

1. **That** the report regarding the proposed amendment of the City of Ekurhuleni Indigent Support Policy approved by Council under Item A-F (16-2022) on 25 May 2022 **BE NOTED**.
2. **That** the proposed amendment of the definition of “Child-headed Households” and the amendment of sub-sections 9.1.1, 9.1.2, 9.1.3 and 9.2.1 of the Indigent Support Policy, as outlined in the report, **BE APPROVED** and where applicable, the existing clauses in the policy **BE RESCINDED**.
3. **That** the Revised City of Ekurhuleni Indigent Support Policy, attached as **Annexure “A”**, **BE APPROVED**.